

Item #11
May 18, 2010
Energy Commission Business Meeting

QUALLION LLC

Amendment of Grant Funding
Grant Agreement ARV-10-010
for
Pilot Automated Manufacturing Line for Lithium-Ion Battery Modules

Summary

Under Solicitation PON-09-605, Quallion LLC, a California-based Lithium-ion (Li-ion) battery manufacturer, received a grant award of \$1,026,072. Quallion requested \$9,041,896 in their original proposal, however additional funding was not available at the time. Staff recommends increasing the award by \$5,888,000 for a total award of \$6,914,072. Quallion will provide an equal amount of match funding.

Quallion will develop an automated manufacturing line capable of producing 10,000 1-kWh Li-ion modules. The battery module for transportation is the single most expensive component in an electric vehicle. Quallion will be automating the module building process to provide battery modules with a lower price point and in large volumes.

Benefits

With the increased funding, Quallion will be able to provide a pilot automated manufacturing line as originally proposed, to reduce its battery manufacturing costs. Electric vehicles using these batteries have the potential to reduce carbon emissions by 68percent on a per vehicle basis.

Quallion is designing a common base module structure to promote standardization in module size, module design, battery size, or battery design. At this time, there is no vehicle technology standard in these categories.

This project will generate 50 to 100 temporary and 100 to 200 permanent jobs in the next three years in the greater Los Angeles metropolitan area. Quallion uses local suppliers for a vast majority of its operations.

The Quallion award is one of 11 projects funded through the 2009 Manufacturing solicitation. This solicitation provided \$19 million in grant funding to support the

development of California-based advanced technology manufacturing capacity for electric drive vehicles and components.

Participants

Quallion is a California-based company located in Sylmar, Los Angeles County, which manufactures Li-ion modules. Quallion will be the sole participant in the project.

Implementation Schedule

Quallion will complete the automated manufacturing line by the third quarter of 2013.

CEQA

The Chief Counsel's Office has reviewed this project to determine what level of environmental review is necessary under the California Environmental Quality Act (CEQA) and recommends including a finding that the project is categorically exempt from further environmental review (see attached draft Notice of Exemption).